

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Adults, Health and Wellbeing Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Adults Services</u>						
Older Peoples Services						
Residential and Nursing - Homes	13,191	13,836	645	0	645	(540)
Home Care	6,831	6,370	(461)	0	(461)	(310)
Other	455	1,360	905	0	905	81
	20,477	21,566	1,089	0	1,089	(769)
Physical Disability Services	2,350	2,274	(76)	0	(76)	(217)
Learning Disability Services	18,190	18,498	308	0	308	(241)
Mental Health Services	3,465	3,500	35	0	35	(30)
Other Services (Adults)	2,989	3,013	24	0	24	2
<u>Adults Services Total</u>	47,471	48,851	1,380	0	1,380	(1,255)
<u>Provider Services (showing net budget)</u>						
Residential Care	104	45	(59)	0	(59)	171
Day Care	30	344	314	0	314	154
Community Care	0	375	375	0	375	564
Other	0	32	32	0	32	62
<u>Total Provider Services</u>	134	796	662	0	662	951

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Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Other Services</u>						
Housing Services	1,898	1,974	76	0	76	89
Departmental Central Services (including the Department's savings schemes)	3,374	3,583	209	0	209	230
Use of specific reserve	0	(649)	(649)	0	(649)	0
<u>Total Other Services</u>	5,272	4,908	(364)	0	(364)	319
<u>Adults, Health and Wellbeing Total</u>	52,877	54,555	1,678	0	1,678	15

Adults, Health and Wellbeing

Older People's Services - numbers in residential and nursing care are up, with 28 new cases in 2018/19 and a further 21 cases this year. Failure to realise £669k of savings within the 'Other' heading and an overspend of £425k on Supported Accommodation, with the costs of establishing the Hafod y Gest scheme accounting for a significant proportion of the overspend. Reduction in demand for home care packages continues again this year.

Physical Disability Services - the trend in the reduced number of home care packages continues.

Learning Disability Services - the impact of an increased demand on supported accommodation and day services is being reduced by an underspend on residential and nursing.

Provider Services - providing hours above the budget level in Community Care together with costs over and above the income earned leading to an overspend of £375k. Overspend of £314k within Day Care. Additional staffing costs also contribute to the overspend with other factors contributing such as homes having been in special measures, recommendations from the Care Inspectorate Wales, and appointing staff over and above the budget.

Housing Services - increasing pressure on temporary homeless accommodation and slippage in realising savings schemes, but receipt of income and grants reduces reported overspend.

Departmental Central Services - income receipts and vacant posts reduces the impact of the slippage in realising £277k worth of savings schemes.

Given the financial position this year, it is appropriate that the funding of £457k, which is equivalent to a social services support grant received in 2017/18 together with £192k from the department's historical underspend fund, be used to alleviate part of the overspend.

Obviously there is a significant overspend by the Adults, Health and Well-being Department this year, as complex detail needs to be clarified in the context of Adult care, the Chief Executive has already called a meeting of the relevant officers to gain a better understanding and a clear response program, as is the case in Child care.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Children and Families Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	581	605	24	0	24	(20)
Operational	2,210	2,288	78	0	78	311
Placement						
Out of County Placements	1,628	3,246	1,618	0	1,618	1,117
Agency Fostering	911	1,299	388	0	388	(43)
Internal Fostering	1,706	2,188	482	0	482	276
Support Services and Other	1,668	1,704	36	0	36	163
	5,913	8,437	2,524	0	2,524	1,513
Post-16	1,035	1,079	44	0	44	329
Specialist/Derwen	1,814	2,146	332	0	332	328
Youth Justice	280	236	(44)	0	(44)	(44)
Early Years	144	94	(50)	0	(50)	(37)
Youth	851	749	(102)	0	(102)	(160)
Other	1,563	1,666	103	0	103	(24)
2018/19 Grant Receipt						(552)
2018/19 Final Accounts Adjustment						(1,544)
Children and Families Total	14,391	17,300	2,909	0	2,909	100

Children and Families

Operational - staff costs over and above the budget level plus an increase in the number of children in care but not in more expensive placements, continues to overspend despite receiving an additional resource of £100k for 2019/20 onwards.

Placements - the overspend arising from 4 new out-of-county placement cases this year, together with the full year effect of 8 cases that started during 2018/19. In Agency fostering, there are 5 new cases this year and the full year effect of 4 further cases that started during 2018/19. There is also an increase in the number of in-house foster placements. Following a review of the out-of-county commitments, it became clear that the type of cases have changed over recent years, and therefore the associated costs, simultaneously there was also a reduction in Health contributions. Additionally, £370k worth of savings within placements are yet to be realised.

Specialist/Derwen - overspend of £332k which is consistent with 2018/19 position, mainly on support schemes following increased demand for service and specialist support.

Youth - underspend following the recent remodeling of the Youth service.

Early Years - receipt of grants in childcare is responsible for the underspend.

Others - overspend on the out of hours service, professional fees, statutory reviews and increased demand on the commitment on the North Wales advocacy service.

Given the level of departmental overspend that is consistent with the 2018/19 trend, a Children's Budget Task Force, has been commissioned by the Chief Executive to address the complex financial issues of the department.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Education Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools	74,738	74,738	0	0	0	0
Schools Quality Services	(305)	(549)	(244)	0	(244)	(315)
Infrastructure and Support Services						
Transport	4,820	5,008	188	0	188	365
Supplementary Service	413	660	247	0	247	43
Other	3,552	3,234	(318)	0	(318)	(120)
	8,785	8,902	117	0	117	288
Leadership and Management	2,267	2,267	0	0	0	23
Additional Learning Needs and Inclusion	4,334	4,548	214	0	214	120
2018/19 Final Accounts Adjustment						(16)
Education Total	89,819	89,906	87	0	87	100

Education

School Quality Services - savings in advance, staff turnover and use of grants are responsible for the favorable position.

Transport - following the overspend in this field over recent years, £400k of additional funding has been allocated for 2019/20. Nevertheless, the overspend continues, with latest estimates suggesting £188k, with £39k on School Buses, £46k income shortfall on Post 16 Transport and a projected overspend of £103k on School Taxi Transport.

Transport has been the subject of a review in an attempt to control the increase in expenditure. The £400k allocated this year was a partial solution with the need for further work from the Education Department and the Environment Department continuing, so that efficiency opportunities could be exploited.

Infrastructure and Support Services - Ancillary Service - lack of income for the care element of the breakfast and school meals scheme together with an overspend deriving from staffing matters and sickness in School Catering, Cleaning and Caretaking.

Infrastructure and Support Services - Other - reduced demand on various budgets including the Integration budget.

Additional Learning Needs and Inclusion - the overspend relating to circumstances in one particular center continues and accounts for £179k of the overspend, with the remainder of the one-off overspend arising from the transition period of the Pre-School Early Years Education Units and Education other than in Schools.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Economy and Community Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	352	352	0	0	0	29
Regeneration Programs and Community Support	390	361	(29)	0	(29)	(31)
Maritime and Country Parks	75	61	(14)	0	(14)	14
Leisure Contracts	1,430	1,463	33	0	33	340
Sports Programs	105	80	(25)	0	(25)	(77)
Economic Development Programs	49	28	(21)	0	(21)	(57)
Marketing and Events	272	272	0	0	0	(35)
Gwynedd Libraries	1,593	1,582	(11)	0	(11)	(45)
Gwynedd Museums, Arts and Archives	859	919	60	0	60	47
2018/19 Final Accounts Adjustment						(157)
<u>Economy and Community Total</u>	5,125	5,118	(7)	0	(7)	28

Economy and Community

Regeneration Programs and Community Support - vacant posts and savings realised early account for the forecasted underspend.

Maritime and Country Parks - lack of income and overspend on seasonal staffing by the Beaches cancelled by the Country Parks and Hafan, Pwllheli. Latest figures suggest a balanced position by the Harbours, which has been problematic in recent years, following a reduction in its income target this year.

Leisure Contracts - leisure provision transferred to Cwmni Byw'n Iach on 1 April 2019, projected overspend of £33k on Leisure Center's running costs.

Gwynedd Museums, Arts and Archives - problems persist in Storiol with forecast deficit of £70k, which is a combination of staff overspend and income shortfall, the underspend on Arts is helping the financial position somewhat.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW

Highways and Municipal Department (including Trunk Roads Agency)	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk Roads)	9,950	9,944	(6)	0	(6)	94
Engineering Services	384	438	54	0	54	(5)
Municipal Services						
Waste	11,345	12,066	721	0	721	503
Other	4,057	4,021	(36)	0	(36)	26
2018/19 Final Accounts Adjustment						(518)
Highways and Municipal Total (including Trunk Roads Agency)	25,736	26,469	733	0	733	100

Highways and Municipal (including Trunk Roads Agency)

Engineering Services - delay in realising a savings scheme together with lack of income, but negotiations continue to seek a resolution.

Waste - increase in the overspend trend seen in 2018/19 in Waste to £721k. Projected overspend of £211k on the transitional waste handling and transport costs through the regional 'Energy from Waste' facility based in Deeside.

Although the department has taken steps to reduce costs by changing shifts and waste collection cycle arrangements, implementation has been delayed. The new arrangements have now come into effect in Dwyfor, with Arfon to follow in November 2019. Associated transitional costs and sickness costs account for £162k of the overspend.

Increased operating and transport costs, lack of grant and income on waste, recycling materials and from solar panels.

Although some steps have already been taken on the Waste side during the year in order to operate within the budget, there has been a delay in implementation.

Other Municipal Services - although an underspend of (£36k) has been reported, there is a mixed picture on different elements of the service with some such as Public Conveniences and Open Space overspending but mitigated by an underspend in other areas such as Administration, Bereavement Services and Commercial Waste.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Environment Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	437	379	(58)	0	(58)	(50)
Planning Services	402	547	145	0	145	(163)
Street Works and Transport Services						
Network Management (Transport)	637	580	(57)	0	(57)	(256)
Parking and Parking Enforcement	(1,681)	(1,902)	(221)	0	(221)	(9)
Intergrated Transport	1,567	1,566	(1)	0	(1)	91
	523	244	(279)	0	(279)	(174)
Countryside and Access	724	736	12	0	12	10
Public Protection	1,677	1,620	(57)	0	(57)	(80)
Property, Caretaking, Catering and Cleaning	3,520	3,458	(62)	0	(62)	(35)
End of August 2019 Review Adjustment				220	220	0
2018/19 Final Accounts Adjustment						392
Environment Total	7,283	6,984	(299)	220	(79)	(100)

Environment

Management - the Department's overall underspend and savings in advance have resulted in one-off savings on the Management heading.

Planning Service - the general trend of a shortfall in Development Control income continues again this year, but is reduced from underspends on services, supplies and transport.

Street Works and Transport Services - over-achieving on income on Traffic and Statutory Arrangements being one of the department's savings schemes for the years to come. Favourable income forecasts together with reduced expenditure on Parking and Enforcement.

Integrated Transport - a one-off underspend on staff costs and a surpass of income reduces the impact of the additional costs on bus contracts. The Department also makes use of a ring-fenced fund for such purposes, to meet the increased costs. The Department is in the process of conducting a review of public transport and has commissioned research work from the University to review the provision.

Public Protection - the service is in a time of transition and therefore overspends on staffing costs which is eliminated by surpassing income in the Licensing, Taxis and Pest Control areas and by reduced expenditure on water sampling materials and supplies and services.

Property, Caretaking, Catering and Cleaning - the underspend is mainly due to vacant posts and secondments.

Following a recent judicial review of a capital scheme relating to the Llanbedr access Road, due to reasons beyond the Council's control a commitment of £220k is envisaged. Under the circumstances, it is **recommended** that the Cabinet allows the Environment Department to earmark (£220k) of it's underspend to a specific fund for this purpose towards the relevant costs.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Consultancy Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(637)	(620)	17	0	17	(62)
Sustainable Drainage Systems (SuDS) Unit	37	37	0	0	0	0
Flood Risk Management Unit Services	571	572	1	0	1	(16)
Building Control	94	118	24	0	24	19
Consultancy Total	65	107	42	0	42	(59)

Consultancy

Roads and Engineering Services - latest forecast suggests a £17k income shortfall, but the service continues to bid for work on various schemes from external organisations such as other Councils and the Welsh Government to attract more income.

Sustainable Drainage Systems Unit (SuDS) - forecasts of income shortage during the establishment of this new unit are reduced by underspend on staff costs.

Building Control - lack of income and overspend on transport costs are responsible for the forecasted overspend.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Central Departments	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	1,786	1,669	(117)	0	(117)	(76)
Finance (& Information Technology)	6,440	6,379	(61)	0	(61)	(59)
Corporate Support	7,469	7,369	(100)	0	(100)	(61)
Central Departments Total	15,695	15,417	(278)	0	(278)	(196)

Central Departments

Corporate and Legal Management Team - latest forecast suggesting an underspend of (£117k), as a result of the Corporate Director's post becoming vacant for part of the year together with the receipt of additional income by the Legal Unit.

Finance (and Information Technology) - underspend due to a combination of reasons including a one-off underspend on staff turnover, secondments and receipt of additional income and grants. Additional income from various sources, including the Welsh Government for the administration of non-domestic rate relief and an additional grant from the Department for Work and Pensions (DWP) for the transitional period in the Benefits service. Furthermore, the department has achieved savings in advance this year and diverted them for Corporate purposes.

Corporate Support - the underspend mainly on the receipt of external income that is above the budget level in a number of areas across the department including Human Resources Advisory Service, Translation, Registration and Democracy Service. Vacant posts also contribute towards the favorable position, in preparation for savings in the coming years, as there is no call on the savings this year the department has already transferred part of its savings in advance for Corporate purposes.

REVENUE BUDGET 2019/20 - END OF AUGUST REVIEW						
Corporate (Only reflecting the variances)	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) Final Position 2018/19
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(392)	392	0	(24)
Council Tax Reduction	*	*	(201)	201	0	(265)
Net Interest Receipts	*	*	(226)	226	0	(139)
Capital Costs	*	*	(240)	240	0	0
Corporate Repair and Maintenance	*	*	(995)	995	0	0
Bids and Budgets Returned by the Departments	*	*	(423)	423	0	(937)
Savings Realised in Advance	*	*	(373)	373	0	0
Other	*	*	(17)	17	0	(651)
2018/19 Final Accounts Adjustment						2,016
Corporate Total	*	*	(2,867)	2,867	0	0

Corporate

Council Tax and Council Tax Premium - Favourable additional tax position of (£392k) on Council Tax. A neutral position is reported in respect of the Council Tax Premium, with the Valuer's Office having already allowed up to the end of August for 187 properties to be transferred from Council Tax to the Non-Domestic Rates list, (453 in 2018/19, 282 in 2017/18, and 199 in 2016/17). We are awaiting a response from Welsh Government and the Valuer's Office relating to Gwynedd's campaign to prevent owners of second homes from evading the tax.

Council Tax Reductions - projected underspend of (£201k) as the overall Council Tax Reduction (benefit) scheme applications are at their lowest level for the fourth year running across North and Mid Wales. In Gwynedd there has been a reduction of almost 10% over the period.

Net Interest Receipt - recent changes in the treasury management field enabling Welsh Councils to invest in investment properties which has resulted in higher returns.

Capital Costs - existing treasury management policy means that external borrowing could be avoided for half of this year which creates an underspend against the capital costs budget. Following the establishment of the Asset Management Plan 2019/20 onwards at the beginning of the financial year, it is suggested that the underspend should be earmarked specifically to assist with the financing of the capital program.

Corporate Repair and Maintenance - receipt of additional grants responsible for an underspend on the repair and maintenance program this year and it is therefore suggested that the money be transferred to a specific fund for the purpose of financing future expenditure.

Budgets and Bids returned by Departments - a bid of (£193k) on Education's Integration that is not required in 2019/20 is returned, together with other issues as demand not as intense as what was anticipated at budget setting.

Pre-Achieved Savings - savings realised early this year.

It is recommended that (£240k) relating to capital costs be allocated to fund the capital program, (£995k) on corporate repair and maintenance be transferred to a repair and maintenance fund, with the remainder of the net underspend (£1,632k) on Corporate budgets be transferred to the Financial Strategy Support Fund to mitigate the risk of overspending of Council departments in 2019/20.